

Chapter 362

(Senate Bill 423)

AN ACT concerning

Real Property – Recordation – Procedures

FOR the purpose of requiring the treasurer, tax collector, or director of finance for a county ~~or municipality~~ to provide a certificate enumerating certain taxes, assessments, and charges against a property and to establish certain procedures to facilitate the issuance of the certificate; requiring a collecting agent presented with a certificate to endorse a deed on payment of transfer and recordation taxes and all charges stated in the certificate and establishing that this endorsement is sufficient authority for a transfer on the assessment books; requiring the clerk of a circuit court and the State Department of Assessments and Taxation to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording documents or the electronic payment of fees or taxes; and generally relating to the recordation of instruments affecting an interest in real property.

BY repealing and reenacting, without amendments,

Article – Real Property

Section 3–104(a)

Annotated Code of Maryland
(2023 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 3–104(b) and 3–703

Annotated Code of Maryland
(2023 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Real Property

3–104.

(a) (1) The Clerk of the Circuit Court may record an instrument that effects a change of ownership if the instrument is:

(i) Endorsed with the certificate of the collector of taxes of the county in which the property is assessed, required under subsection (b) of this section;

(ii) 1. Accompanied by a complete intake sheet; or

2. Endorsed by the assessment office for the county as provided in subsection (g)(8) of this section; and

(iii) Accompanied by a copy of the instrument, and any survey, for submission to the Department of Assessments and Taxation.

(2) The Supervisor of Assessments shall transfer ownership of property in the assessment records, effective as of the date of recordation, upon receipt from the Clerk of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey submitted under paragraph (1) of this subsection.

(b) (1) (i) Except as provided in subsection (c) of this section, property may not be transferred on the assessment books or records until:

1. All public taxes, assessments, and charges currently due and owed on the property have been paid to the treasurer, tax collector, or director of finance of the county in which the property is assessed; and

2. All taxes on personal property in the county due by the transferor have been paid when all land owned by the transferor in the county is being transferred.

(ii) The certificate of the collecting agent designated by law, showing that all taxes, assessments, and charges have been paid, shall be endorsed on the deed, and the endorsement shall be sufficient authority for transfer on the assessment books.

(2) (i) Except as provided in subsection (c) of this section, in Allegany, Cecil, Charles, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, and St. Mary's counties no property may be transferred on the assessment books or records until:

1. All public taxes, assessments, any charges due a municipal corporation, and charges due on the property have been paid as required by law; and

2. All taxes on personal property in the county due by the transferor have been paid when all land owned by the transferor in the county and municipal corporation is being transferred.

(ii) The certificate of the collecting agent and municipal corporation designated by law showing that all taxes, assessments, and charges have been paid, shall be endorsed on the deed and the endorsement shall be sufficient authority for transfer on the assessment books.

(3) (I) ON REQUEST, THE TREASURER, TAX COLLECTOR, OR DIRECTOR OF FINANCE FOR A COUNTY ~~OR MUNICIPALITY~~ SHALL ISSUE TO THE REQUESTER A CERTIFICATE CLEARLY ENUMERATING BY TYPE AND AMOUNT ANY

PUBLIC TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR MUNICIPALITY AGAINST A PROPERTY LOCATED IN THE COUNTY OR MUNICIPALITY.

(II) A CERTIFICATE ISSUED UNDER THIS PARAGRAPH SHALL BAR ANY CHARGE OR ASSESSMENT AGAINST THE PROPERTY LEVIED ON A BONA FIDE PURCHASER FOR VALUE WITH NO NOTICE OF THE CHARGE OR ASSESSMENT PRIOR TO THE PURCHASE OF THE PROPERTY.

(III) A COLLECTING AGENT PRESENTED WITH A CERTIFICATE ISSUED UNDER THIS PARAGRAPH WITHIN 45 DAYS AFTER ISSUANCE ~~INDICATING THAT ALL TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR MUNICIPALITY HAVE BEEN PAID SHALL ENDORSE THAT ALL TAXES, ASSESSMENTS, AND CHARGES HAVE BEEN PAID AND THE ENDORSEMENT SHALL BE SUFFICIENT AUTHORITY FOR TRANSFER ON THE ASSESSMENT BOOKS~~ SHALL ENDORSE THE DEED AS REQUIRED UNDER PARAGRAPH (1)(II) OR (2)(II) OF THIS SUBSECTION ON PAYMENT OF ALL CHARGES SET FORTH IN THE CERTIFICATE AND ANY APPLICABLE TRANSFER OR RECORDATION TAXES.

(IV) A COUNTY OR MUNICIPALITY MAY COLLECT A FEE OF UP TO \$55 FOR THE ISSUANCE OF A CERTIFICATE UNDER THIS PARAGRAPH.

(V) THE PAYMENT OF A FEE AND THE ISSUANCE OF A CERTIFICATE UNDER THIS PARAGRAPH MAY NOT PRECLUDE A CLAIM BY A COUNTY OR MUNICIPALITY TO PAYMENT OF A CHARGE OR ASSESSMENT AGAINST:

- 1. THE OWNER OF THE PROPERTY AT THE TIME OF THE ISSUANCE OF THE CERTIFICATE; OR**
- 2. A PERSON WHO ACQUIRES THE PROPERTY WITH KNOWLEDGE OF THE CHARGE OR ASSESSMENT.**

(VI) EACH TREASURER, TAX COLLECTOR, OR DIRECTOR OF FINANCE OF A COUNTY ~~OR MUNICIPALITY~~ SHALL ADOPT PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF THIS PARAGRAPH, INCLUDING PROCEDURES FOR OBTAINING A STATEMENT ON A CERTIFICATE ISSUED UNDER THIS PARAGRAPH OF ALL TAXES, ASSESSMENTS, AND CHARGES DUE TO A MUNICIPALITY ON THE TRANSFER OF OWNERSHIP OF A PROPERTY.

3-703.

(a) In this section, "paper document" means a document received by the clerk of a circuit court in a form that is not electronic.

(b) In compliance with any standards established by the Administrative Office of the Courts, the clerk of a circuit court:

- (1) May receive, index, store, archive, and transmit electronic documents;
- (2) May provide for access to, and search and retrieval of, documents and information by electronic means;
- (3) Shall, if the clerk of the circuit court accepts electronic documents for recording, continue to accept paper documents and place entries for electronic and paper documents in the same index;
- (4) May convert into electronic form:
 - (i) Paper documents accepted for recording; and
 - (ii) Information recorded before the clerk of the circuit court began to record electronic documents;
- (5) Shall transmit documents in fully verified books to the State Archives for preservation and publication on a website maintained by the State Archives;
- (6) May accept by electronic means any fee or tax collected as a condition precedent to recording a document; and
- (7) [May agree] **SHALL COORDINATE** with other State or county officials on procedures or processes to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording documents or the electronic payment of fees or taxes.

(c) The State Department of Assessments and Taxation or a county [may]:

- (1) [Accept] **MAY ACCEPT** by electronic means any fee or tax that the Department or county is authorized to collect as a condition precedent to recording a document; and
- (2) [Agree] **SHALL COORDINATE** with the clerk of a circuit court or other State official on procedures or processes to facilitate the electronic satisfaction of prior approvals and conditions precedent to recording documents or the electronic payment of fees or taxes.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2024.

Approved by the Governor, April 25, 2024.